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UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re:

JAMES TRENTON EYRING and SUZANNE  
MICHELE EYRING,

Debtors.

NO. 19-13579-CMA

STIPULATION BY AND BETWEEN THE  
TRUSTEE AND MATTHEW CHAN RE: THE  
PROPERTY AT: 24957 SE 279<sup>TH</sup> STREET,  
MAPLE VALLEY, WA 98038

EDMUND J. WOOD, TRUSTEE ("Trustee"), the Chapter 7 Trustee herein, by and through his legal counsel, David A. Gebben, Attorney At Law, and MATTHEW CHAN ("Mr. Chan"), a creditor in this Chapter 7 case, by and through his legal counsel, Law Offices of John A. Holmes, P.S., by John A. Holmes, Attorney At Law, do hereby stipulate and agree as follows:

RECITALS:

A. The above-named debtors were the owners of the real property at: 24957 SE 279<sup>th</sup> Street, Maple Valley, WA 98038 ("the Maple Valley property") at the time of their bankruptcy filing on 9-30-19. The Maple Valley property became property of the bankruptcy estate in the above-captioned case bankruptcy at the time of the debtor's bankruptcy filing, under 11 U.S.C. §541(a), and the Trustee herein, Edmund J. Wood, Trustee, is the legal representative of the bankruptcy estate, under 11 U.S.C. §323(a).

B. The debtors indicated on their Chapter 7 Schedules that the Maple Valley property is subject to a first position deed of trust in favor of Bank of America, N.A., with a current balance due in the amount of approximately \$300,000, a second position deed of trust in favor of BECU, with a current balance due in the amount of approximately \$120,000, a homestead exemption in the amount of \$125,000

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1 and a judgment lien in favor of Mr. Chan in the face amount of \$175,000. The debtors also indicated in a  
2 motion that a copy of the judgment in favor of Mr. Chan was recorded in King County under recording  
3 number 20181205001122 on 12-5-18, which was more than 90 days prior to the date of the debtors'  
4 Chapter 7 filing. The debtors also indicated in a motion that the Maple Valley property has a current  
5 market value in the amount of approximately \$675,000.

6 C. The parties to this agreement have reason to believe that the Maple Valley property can be  
7 sold by the Trustee at a price that will be sufficient to pay all the actual and necessary costs of sale, as  
8 well as the two deed of trust debts on the property, in full, and the debtors' homestead exemption, in full,  
9 and will also leave a meaningful amount of funds available for the judgment lien position on the Maple  
10 Valley property that is held by Mr. Chan. In the interest of avoiding litigation related to the judgment lien  
11 position on the Maple Valley property held by Mr. Chan, and in the interest of establishing a meaningful  
12 basis for the Trustee to proceed with a sale of the Maple Valley property, the Trustee and Mr. Chan have  
13 decided to enter into the following *Stipulation*.

14 STIPULATION:

15 NOW THEREFORE, the Trustee and Mr. Chan do hereby stipulate and agree as follows:

16 1. The Trustee shall proceed to take reasonable steps to carry out and complete a sale of the  
17 Maple Valley property at a price that will be projected to pay all of the actual and necessary costs of sale,  
18 and the two deed of trust liens on the property, and the debtors' homestead exemption on the property,  
19 and will also be projected to leave a meaningful amount of funds available for the judgment lien position  
20 on the Maple Valley property that is held by Mr. Chan. In the event that the Trustee is able to complete a  
21 sale of the Maple Valley property on those terms, then the net sale proceeds from that sale, which are  
22 earmarked for the judgment lien position which is held by Mr. Chan, shall be split between the Trustee  
23 and Mr. Chan on a 65% to 35% basis, so that the Trustee shall receive 65% of those net sale proceeds, as  
24 a "carve-out" from Mr. Chan's judgment lien position, and Mr. Chan shall receive the other 35% of those  
25 net sale proceeds, at the time of the closing of the Trustee's sale of the property.

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1  
2 2. The parties hereto understand and agree that all bankruptcy expenses related to the  
3 Trustee's sale of the Maple Valley property, including any compensation for the Trustee and his attorney  
4 and his accountant, if any, related to the Trustee's sale of the property, shall be paid only from an amount  
5 that is equal to one-half of the "carve-out" funds that the Trustee is due to receive at the time of the  
6 closing of the sale, pursuant to the terms of this *Stipulation*, and the parties hereto also understand and  
7 agree that the Trustee shall also set aside an amount that is equal to one-half of those "carve-out" funds  
8 for the benefit of the unsecured creditors in this bankruptcy case.

9 3. The parties hereto also understand and agree that Mr. Chan reserves the right to assert an  
10 unsecured claim in this bankruptcy case in the amount of the unpaid balance, if any, that is still owed to  
11 Mr. Chan after the Maple Valley property has been sold.

12 4. This *Stipulation* remains subject to Bankruptcy Court approval, and the Trustee shall seek  
13 Bankruptcy Court approval for this agreement at the same time that the Trustee seeks approval for a  
14 proposed sale of the Maple Valley property. This *Stipulation* may be signed in counterparts, and a copy  
15 of the signed agreement shall be equally effective as an original. This *Stipulation* is governed by  
16 Washington law, and by applicable federal bankruptcy law, and the Bankruptcy Court shall have  
17 jurisdiction over any disputes related to this *Stipulation*

18 THE FOREGOING IS HEREBY STIPULATED AND AGREED TO BY:

19 David A. Gebben, Attorney At Law

20 /S/ David A. Gebben  
21 By: David A. Gebben, WSBA #16290  
22 Attorney for the Trustee

2/4/2020  
Dated:

23 Law Offices of John A. Holmes, P.S.

24 /S/ John A. Holmes  
25 By: John A. Holmes, WSBA #12677  
26 Attorney for Mr. Chan

2/4/20  
Dated:

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